MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD

FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of Municipal Potash Tax Sharing Administration Board, which comprise the statement of financial position as at December 31, 2012, and the statement of operations and net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2012, and the results of its operations and changes in its net assets for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
March 26, 2013

Bonnie Lysyk, MBA, CA
Provincial Auditor

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Statement 1

Municipal Potash Tax Sharing Administration Board
Statement of Financial Position
As at December 31, 2012

	2012	2011
Financial Assets		
Cash	$18,137	$15,303
Total Financial Assets	$18,137	$15,303
Net Financial Assets - (Statement 2)	$18,137	$15,303

(see accompanying notes to the financial statements)

Statement 2

Municipal Potash Tax Sharing Administration Board
Statement of Operations and Net Assets
For Year Ended December 31, 2012

			2012	2011
Revenue:				
Municipal taxes received from rural municipalities (Note 5)			$21,004,393	$15,822,949
Less: Tax sharing distributions (Schedule 1)				
Areas of Influence	Rural	Urban		
Saskatoon Lanigan	$11,648,713	$1,294,302	12,943,015	10,611,495
Esterhazy	6,342,134	704,682	7,046,816	4,440,320
Pense	894,202	99,356	993,558	755,311
	$18,885,049	$2,098,340	20,983,389	15,807,126
Revenue held for general administration (Note 4)			21,004	15,823
Expenditures:				
Office facilities - Saskatchewan Association of Rural Municipalities			10,000	10,000
Secretary - Treasurer's Honorarium & Per Diem			6,000	6,000
Board Member Per Diems			1,000	1,000
Board Members Travel			0	231
Maps			870	0
Bank Charges			0	134
Insurance			300	300
			18,170	17,665
Surplus (Deficit) for the year			2,834	(1,842)
Net assets, beginning of year			15,303	17,145
Fund balance, end of year - to Statement 1			$18,137	$15,303

(see accompanying notes to the financial statements)

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

1. Authority

The Municipal Potash Tax Sharing Administration Board (Board) was established under Section 3 of *The Municipal Tax Sharing (Potash) Act* (Act). Under provisions of the Act, taxes levied by rural municipalities on potash mines are remitted to the Board. The Board administers the tax sharing program established under the Act. Disbursements to municipalities, located within the areas of influence of a potash development, are made on the basis of formulae prescribed in regulations to the Act.

2. Significant Accounting Policies

These financial statements have been prepared using Canadian public sector accounting standards. The following accounting policies are considered significant.

a) Revenue

The municipal taxes received from rural municipalities are recognized as revenue when received or receivable.

b) Tax Sharing Distributions

Tax sharing distributions are recorded as an expense when the calculations have been approved by the Board.

3. Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

4. Administration Costs

The regulations permit the Board to withhold up to 0.5% of taxes received, to a maximum of $25,000, for the general administration of the Board. During the year, the Board withheld 0.10% (2011 - 0.10%) of taxes received totalling $21,004 (2011 - $15,823).

5. Municipal Taxes From Rural Municipalities

Municipality	RM#	Budget 2012	Actual 2012	Actual 2011
Rocanville	151	$ 3,941,573	$ 3,941,573	$ 1,891,646
Spy Hill	152	1,850,903	1,850,899	1,569,579
Pense	160	994,553	994,553	756,067
Langenburg	181	1,261,397	1,261,397	983,541
Usborne	310	3,377,066	3,377,057	2,881,703
Colonsay	342	1,521,043	1,521,039	1,174,803
Blucher	343	2,390,827	2,510,504	2,053,470
Corman Park	344	3,307,552	3,307,534	2,533,034
Vanscoy	345	2,239,837	2,239,837	1,979,106
		$20,884,751	$21,004,393	$15,822,949

6. Budget

The budgeted amounts disclosed in these statements are those approved by the Board on March 26, 2012.

7. Distribution of Funds

As per Section 7(1) of the General Regulations under *The Municipal Potash Tax Sharing (Potash) Act*, the funds available for distribution to municipalities are disbursed to the municipalities in each unit with 90% being paid to the rural municipalities and 10% being paid to the urban municipalities.

Schedule 1

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31, 2012

		Budget 2012	Actual 2012	Actual 2011
Saskatoon/Lanigan Area				
Rural Municipalities				
279	Mount Hope	$ 239	$ 241	$ 150
280	Wreford	75,102	75,803	59,027
281	Wood Creek	5,066	5,114	4,589
283	Rosedale	5,768	5,822	5,001
309	Prairie Rose	301,106	303,918	209,545
310	Usborne	1,315,147	1,327,427	1,123,141
312	Morris	764,167	771,302	639,206
313	Lost River	491,075	495,660	444,665
314	Dundurn	304,056	306,895	275,405
315	Montrose	350,450	353,722	248,697
316	Harris	85,234	86,029	60,389
339	Leroy	183,587	185,301	147,888
340	Wolverine	1,424,671	1,437,973	1,029,998
341	Viscount	715,542	722,223	647,034
342	Colonsay	935,541	944,277	847,052
343	Blucher	940,567	949,162	833,289
344	Corman Park	989,243	998,479	762,092
345	Vanscoy	1,486,182	1,500,058	1,216,699
346	Perdue	383,697	387,280	325,023
370	Humboldt	7,778	7,851	7,130
371	Bayne	126,876	128,060	91,907
372	Grant	182,844	184,552	166,701
373	Aberdeen	391,133	394,785	335,473
376	Eagle Creek	76,069	76,779	70,244
		11,541,140	11,648,713	9,550,345
Urban Municipalities				
Town of Aberdeen		30,560	30,845	23,612
Town of Allan		132,240	133,472	113,086
Town of Asquith		30,764	31,051	25,807
Village of Bradwell		46,937	47,374	32,618
Village of Clavet		78,772	79,507	61,830
Town of Colonsay		96,935	97,839	76,168
Town of Dalmeny		68,926	69,568	57,350
Town of Delisle		198,972	200,827	160,938
Village of Drake		10,306	10,402	10,395
Village of Elstow		18,163	18,332	16,309
Village of Kinley		2,296	2,317	1,568
Town of Langham		58,416	58,961	47,493

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31, 2012

	Budget 2012	Actual 2012	Actual 2011
Saskatoon/Lanigan Area			
Urban Municipalities			
Town of Lanigan	243,868	246,141	200,186
Town of Martensville	-	-	1,434
Village of Meacham	4,285	4,326	3,136
Village of Perdue	18,469	18,641	16,488
Village of Plunkett	3,826	3,862	3,360
Village of Vanscoy	76,936	77,653	60,755
Village of Viscount	51,427	51,906	44,984
Town of Vonda	18,010	18,177	14,427
Town of Warman	-	-	10,574
Town of Watrous	72,905	73,585	61,472
Village of Young	12,193	12,307	11,784
Village of Zelma	7,143	7,209	5,376
	1,282,349	1,294,302	1,061,150
Area Total	12,823,489	12,943,015	10,611,495
Esterhazy Area			
Rural Municipalities			
121 Moosomin	177,578	177,578	110,032
122 Martin	52,459	52,459	36,837
151 Rocanville	1,213,675	1,213,675	685,940
152 Spy Hill	1,744,065	1,744,065	1,155,913
153 Willowdale	100,541	100,541	69,651
181 Langenburg	1,292,803	1,292,803	828,169
183 Fertile Belt	1,235,572	1,235,572	777,173
211 Churchbridge	320,098	320,098	204,866
213 Saltcoats	205,343	205,343	127,707
	6,342,134	6,342,134	3,996,288
Urban Municipalities			
Village of Atwater	1,143	1,143	731
Village of Bangor	2,104	2,104	1,463
Town of Bredenbury	16,646	16,646	9,624
Town of Churchbridge	33,979	33,979	20,594
Town of Esterhazy	317,562	317,562	195,176
Village of Gerald	20,854	20,854	14,510
Town of Langenburg	49,116	49,116	29,955
Town of Rocanville	156,769	156,769	101,684

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31, 2012

	Budget 2012	Actual 2012	Actual 2011
Esterhazy Area			
Urban Municipalities			
Village of Spy Hill	37,317	37,317	23,519
Village of Stockholm	15,595	15,595	9,449
Village of Tantallon	19,207	19,207	12,286
Village of Welwyn	24,695	24,695	16,616
Village of Yarbo	9,695	9,695	8,425
	704,682	704,682	444,032
Area Total	7,046,816	7,046,816	4,440,320
Pense Area			
Rural Municipalities			
129 Bratt's Lake	6,498	6,498	5,196
130 Redburn	125,589	125,589	95,580
131 Baildon	39,740	39,740	33,059
159 Sherwood	56,543	56,543	53,237
160 Pense	408,042	408,042	278,288
161 Moose Jaw	178,875	178,875	145,939
189 Lumsden	25,051	25,051	21,223
190 Dufferin	35,498	35,498	32,936
191 Marquis	18,366	18,366	14,322
	894,202	894,202	679,780
Urban Municipalities			
Village of Belle Plaine	6,664	6,664	5,349
Village of Bethune	10,097	10,097	7,710
Village of Briercrest	2,802	2,802	2,444
Village of Disley	2,802	2,802	1,295
Village of Drinkwater	6,563	6,563	5,432
Village of Grand Coulee	14,414	14,414	9,089
Village of Pense	53,717	53,717	42,373
Village of Tuxford	2,297	2,297	1,839
	99,356	99,356	75,531
Area Total	993,558	993,558	755,311
Total tax sharing - to Statement 2	$ 20,863,863	$ 20,983,389	$ 15,807,126